

Message Text

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ORIGIN COME-00

INFO OCT-01 AF-10 ARA-14 EUR-12 EA-12 NEA-10 ISO-00
AGRE-00 CEA-01 CIAE-00 DODE-00 EB-08 FRB-01 H-02
INR-10 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-02
CTME-00 AID-05 SS-15 STR-07 ITC-01 TRSE-00 ICA-20
SP-02 SOE-02 OMB-01 DOE-15 SIG-03 /171 R

DRAFTED BY COM:OIER:KBARKER:MCM
APPROVED BY EB/OCA/CM/SPHARRIS
COM:OIER:FLHALL

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R 282205Z JUL 78
FM SECSTATE WASHDC
TO AMEMBASSY OTTAWA
AMEMBASSY MEXICO
AMEMBASSY BRASILIA
AMEMBASSY CARACAS
AMEMBASSY BONN
AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY THE HAGUE
AMEMBASSY ROME
AMEMBASSY BRUSSELS
AMEMBASSY MADRID
AMEMBASSY STOCKHOLM
AMEMBASSY BERN
AMEMBASSY TEHRAN
AMEMBASSY JIDDA
AMEMBASSY TEL AVIV
AMEMBASSY LAGOS
AMEMBASSY NEW DELHI
AMEMBASSY TOKYO
AMEMBASSY SEOUL
AMCONSUL HONG KONG
AMEMBASSY TAIPEI
AMEMBASSY MANILA
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AMEMBASSY JAKARTA
AMEMBASSY CANBERRA

UNCLAS STATE 191521

E.O. 11652: N/A

TAGS: ETRD, XG, XM, XF, NI, XC, XE, AS

SUBJECT: U.S. FOREIGN TRADE REPORT FOR JUNE 1978

MONTH OF JUNE

THE U.S. TRADE DEFICIT IN JUNE 1978 DECLINED TO THE LOWEST VALUE IN OVER A YEAR, AS EXPORTS ADVANCED FOR THE FOURTH CONSECUTIVE MONTH WHILE IMPORTS FELL AGAIN. EXPORTS WERE AT A RECORD 12,126 MILLION DOLLARS, 3 PERCENT ABOVE THE PRECEDING MONTH, WHILE F.A.S. IMPORTS DROPPED 2 PERCENT TO 13,723 MILLION DOLLARS (14,607 MILLION DOLLARS C.I.F.) LEAVING AN F.A.S. DEFICIT OF 1,597 MILLION DOLLARS (2,482 MILLION DOLLARS C.I.F.), THE SMALLEST IMBALANCE SINCE MAY 1977.

THE JUNE RISE IN EXPORTS REFLECTED A SUSTAINED HIGH LEVEL OF AGRICULTURAL SHIPMENTS AND A SUBSTANTIAL INCREASE IN SALES OF MANUFACTURED GOODS AND OTHER NONAGRICULTURAL PRODUCTS. AIRCRAFT EXPORTS ADVANCED SHARPLY, AND MOTOR VEHICLE DELIVERIES ALSO EXPANDED. A NUMBER OF TYPES OF MACHINERY EXPORTS GREW IN VALUE, INCLUDING METALWORKING

MACHINES, BUSINESS MACHINES, COMPUTERS, AND ELECTRIC POWER EQUIPMENT. COAL EXPORTS CONTINUED THEIR POST-STRIKE RECOVERY, CLIMBING BY NEARLY 50 MILLION DOLLARS.
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THE VALUE OF IMPORTS WAS HELD DOWN BY A SLIGHT DECLINE IN PETROLEUM PURCHASES, SEASONALLY ADJUSTED, AND REDUCED ARRIVALS OF OTHER INDUSTRIAL MATERIALS AND FOODS. STEEL IMPORTS FELL AGAIN, ALTHOUGH NOT NEARLY AS SHARPLY AS IN MAY. SIZABLE REDUCTIONS WERE ALSO NOTED FOR CHEMICALS AND COFFEE.

YEAR-TO-DATE

IN THE FIRST HALF OF 1978, THE U.S. TRADE DEFICIT EXPANDED TO A SEASONALLY ADJUSTED ANNUAL RATE OF 32.7 BILLION DOLLARS F.A.S. (43.4 BILLION DOLLARS C.I.F.) COMPARED TO 26.5 BILLION DOLLARS IN 1977, REFLECTING A SOMEWHAT FASTER RATE OF INCREASE IN IMPORTS THAN OF EXPORTS. EXPORTS STOOD AT A RATE OF 132.7 BILLION DOLLARS, 10 PERCENT ABOVE LAST YEAR'S TOTAL, WHILE F.A.S. IMPORTS ROSE BY 12 PERCENT TO 165.5 BILLION DOLLARS (176.1 BILLION DOLLARS C.I.F.). SINCE THE BEGINNING OF THE YEAR, HOWEVER, EXPORTS HAVE PICKED UP CONSIDERABLE MOMENTUM, WHILE IMPORTS HAVE SLOWED SLIGHTLY. IN THE SECOND QUARTER, EXPORTS INCREASED BY 15 PERCENT OVER JANUARY-

MARCH, BUT IMPORTS ADVANCED BY ONLY 4 PERCENT, REDUCING THE DEFICIT BY ALMOST ONE-THIRD FROM THE RECORD FIRST QUARTER LEVEL. SIMILARLY, THE DEFICIT IN U.S. TRADE IN MANUFACTURED GOODS, WHICH APPEARED IN THE FOURTH QUARTER OF 1977 FOR THE FIRST TIME IN FOUR YEARS AND GREW SHARPLY IN THE FIRST QUARTER OF THIS YEAR, ALSO WAS REDUCED IN THE JUNE QUARTER.

THE GROWTH IN EXPORTS OF MANUFACTURED GOODS AND OTHER NONAGRICULTURAL PRODUCTS SO FAR THIS YEAR MAINLY REFLECTED A CONTINUED EXPANSION OF MACHINERY SALES AS WELL AS GREATER SHIPMENTS OF AUTO PARTS, TRUCKS, AND CHEMICALS. DESPITE A STRONG REBOUND BEGINNING IN APRIL, COAL EXPORTS REMAINED BELOW LAST YEAR'S LEVEL, AND DELIVERIES OF STEEL UNCLASSIFIED

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THE IMPORT INCREASE IN THE FIRST HALF WAS LED BY A SHARP JUMP IN ARRIVALS OF A WIDE VARIETY OF MANUFACTURED GOODS, WHICH WAS CONCENTRATED MAINLY IN THE FIRST QUARTER BUT

SUBSEQUENTLY TAPERED OFF. PURCHASES OF MANY TYPES OF MACHINERY, AUTOMOBILES, AND STEEL WERE IN THE FOREFRONT OF THE EXPANSION.

PETROLEUM IMPORTS, ON THE OTHER HAND, WERE VALUED AT 19.0 BILLION DOLLARS IN JANUARY-JUNE (20.3 BILLION DOLLARS, INCLUDING IMPORTS INTO THE VIRGIN ISLANDS), 11 PERCENT LOWER THAN IN THE SAME PERIOD LAST YEAR. SINCE PRICES ROSE BY LESS THAN ONE PERCENT, THE VOLUME OF THESE PURCHASES, AVERAGING 7.8 MILLION BARRELS PER DAY, ALSO DECLINED CONSIDERABLY. U.S. PETROLEUM CONSUMPTION GREW SLIGHTLY FOR THE PERIOD, BUT THIS WAS MORE THAN OFFSET BY AN INCREASE IN DOMESTIC PRODUCTION. IN THE FIRST HALF OF 1977 INVENTORIES WERE INCREASED BY NEARLY 85 MILLION BARRELS, BUT THIS YEAR INVENTORIES HAVE BEEN DRAWN DOWN BY ABOUT 130 MILLION BARRELS, REDUCING IMPORT REQUIREMENTS BY AN AVERAGE OF 1.2 MILLION BARRELS PER DAY FROM LAST YEAR'S RATE. VANCE

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INFO OCT-01 ISO-00 /013 R

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DRAFTED BY: EA/ANZ: CHTWINING

APPROVED BY: EA/ANZ:FCBENNETT

-----025430 311846Z /47

R 311705Z JUL 78

FM SECSTATE WASHDC

TO AMEMBASSY WELLINGTON

UNCLAS STATE 191521

FOLLOWING REPEAT STATE 191521 SENT ACTION OTTAWA, MEXICO,
BRASILIA, CARACAS, BONN, LONDON, PARIS, THE HAGUE, ROME,
BRUSSELS, MADRID, STOCKHOLM, BERN, TEHRAN, JIDDA, TEL AVIV,
LAGOS, NEW DELHI, TOKYO, SEOUL, HONG KONG, TAIPEI,
MANILA, JAKARTA, CANBERRA 28 JUL 78

QUOTE UNCLAS STATE 191521

E.O. 11652: N/A

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE, REPORTS, FOREIGN TRADE
Control Number: n/a
Copy: SINGLE
Draft Date: 28 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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Office: ORIGIN COME
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Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
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Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2067439
Secure: OPEN
Status: NATIVE
Subject: U.S. FOREIGN TRADE REPORT FOR JUNE 1978 MONTH OF JUNE THE U.S. TRADE DEFICIT IN JUNE 1978 DECLINED TO TH
TAGS: ETRD, XG, XM, XF, NI, XC, XE, AS
To: OTTAWA MEXICO MULTIPLE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/92796078-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014